

## Message Text

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E.O. 11652: GDS  
TAGS: OVIP (CARTER, JIMMY) GW WB  
SUBJECT: PRESIDENTIAL VISIT: EMBASSY AND MISSION  
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FOLLOWING ARE CONTRIBUTIONS ON ITEMS ANTICIPATED FOR  
SCOPE PAPER.

### I. GISTS ON KEY ISSUES

A. US-FRG RELATIONS. THE GERMANS WANT CLOSE  
RELATIONS WITH THE US BECAUSE SUCH RELATIONS ARE CENTRAL  
TO THEIR SECURITY AND TO THEIR ACHIEVEMENT OF MOST OF  
THEIR NATIONAL OBJECTIVES. THERE ARE MISGIVINGS IN  
BONN OVER THE CONSISTENCY OF US POLICY, INCLUDING EAST-  
WEST RELATIONS, AND CONCERN THAT BILATERAL RELATIONS NOT  
TAKE ON SUCH A CHARACTER AS TO CREATE THE IMPRESSION THAT  
THE FRG IS A VASSAL WHO ALWAYS DOES OUR BIDDING, OR OF  
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A "WASHINGTON-BONN" AXIS. EVEN THOUGH THERE IS A LOT  
OF SPECULATION ABOUT WASHINGTON-BONN DISAGREEMENTS, THE  
GERMANS WILL SUPPORT US ON VIRTUALLY ALL OF OUR INTER-  
NATIONAL ENTERPRISES.

B. SALT. THE GERMANS FAVOR CONCLUSION OF A SALT  
AGREEMENT BECAUSE THEY BELIEVE SUCH AN AGREEMENT IS VITAL

TO THE CONTINUATION OF EAST-WEST DETENTE. ON THE OTHER HAND, THEY HAVE EXPRESSED CONCERN THAT US CONCESSIONS ON THE CRUISE MISSILE COULD PURCHASE NUCLEAR PARITY AT THE EXPENSE OF THEATER BALANCE, ESPECIALLY IN LIGHT OF THE SOVIET SS-20 BUILD-UP AND SOVIET TANK PREPONDERANCE. THEY HAVE GENERALLY SUPPORTED OUR SALT POSITIONS AFTER CONSULTATION.

C. US-SOVIET RELATIONS. THE FRG FAVORS THE CONTINUATION OF US-SOVIET DETENTE BECAUSE IT BELIEVES THAT DETENTE IS ESSENTIAL IN AN ERA OF MASSIVE NUCLEAR ARSENALS AND BECAUSE GERMANY HAS GAINED SOME GENUINE HUMAN BENEFITS FROM DETENTE. THE FRG HAS ALWAYS BELIEVED THAT MILITARY STRENGTH IS A NECESSARY COMPLEMENT TO DETENTE, AND THAT IMPROVED US-SOVIET TIES SHOULD NOT LEAD TO A SLACKENING OF THE WESTERN DEFENSE EFFORT. IT HAS ALSO LET THE SOVIET UNION KNOW THAT EASTERN RESTRAINT ON CERTAIN SENSITIVE ISSUES IS ESSENTIAL TO DETENTE, PARTICULARLY BERLIN AND A LESS BRUTAL APPROACH TO CONTROLLING THE BORDER BETWEEN THE TWO GERMANIES.

D. AFRICA. BONN'S VIEW IS THAT THE INTERESTS OF THE WEST AND THOSE OF THE AFRICANS THEMSELVES ARE BEST SERVED BY AN "AFRICA FOR THE AFRICANS" POLICY, THOUGH THE WEST MUST BE PREPARED TO PROTECT ITS STRATEGIC INTERESTS THROUGH DIPLOMATIC, ECONOMIC, AND EVEN  
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MILITARY MEANS. IN SOUTHERN AFRICA, THE FRG DISTINGUISHES BETWEEN THE LONG-TERM AND UNDERLYING PROBLEM OF APARTHEID, AND THE "DECOLONIALIZATION" PROBLEMS OF NAMIBIA AND RHODESIA. THE FRG PLACES SUPREME IMPORTANCE ON COORDINATION WITH ITS WESTERN PARTNERS AND ESPECIALLY WITH THE US.

E. MBFR. THE GERMANS FAVOR A REDUCTION OF FORCES IN CENTRAL EUROPE, BUT ONLY IF SUCH A REDUCTION WOULD PRESERVE WESTERN SECURITY AND WOULD NOT ENABLE THE SOVIET UNION TO GAIN A VETO OVER THE SIZE OF THE GERMAN ARMED FORCES. THE GERMANS ARE PARTICULARLY ANXIOUS TO BRING THE CURRENT DATA DISCUSSION TO A SUCCESSFUL CONCLUSION, AND THEY WANT TO CONCENTRATE THEIR MBFR EFFORTS IN THIS DIRECTION. THEY SEEM ATTRACTED BY RECENT FRENCH PROPOSALS ON ASSOCIATED AND STABILIZING MEASURES BECAUSE SUCH PROPOSALS WOULD APPLY ACROSS MOST OF EUROPE RATHER THAN PRIMARILY IN GERMANY.

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F. NON-PROLIFERATION. THE FRG SUPPORTS OUR NON-PROLIFERATION OBJECTIVES AND SHARES OUR SUPPORT FOR EFFECTIVE IAEA SAFEGUARDS, BUT THERE IS WIDESPREAD CONCERN THAT OUR NUCLEAR NON-PROLIFERATION ACT OF 1978 MAY DIMINISH THE RELIABILITY OF THE US AS A FUEL SUPPLIER. THE FRG IS HEAVILY DEPENDENT ON US SUPPLIED ENRICHED URANIUM AND THEREFORE SUPPORTS THE EARLY COMMENCEMENT OF US/EURATOM NEGOTIATIONS. HOWEVER, THE GERMANS OPPOSE AS A MATTER OF PRINCIPLE THE BASIC THRUST OF THE ACT, AND THEIR DOUBTS REGARDING THE FUTURE RELIABILITY OF US FUEL SUPPLY ARE LEADING THEM TO EXPAND THEIR URANIUM ENRICHMENT CAPABILITIES AND TO ACCELERATE THEIR BREEDER AND FUEL REPROCESSING PROGRAMS.

G. BERLIN. USMISSION BERLIN SUBMITTING DIRECTLY TO THE DEPARTMENT.

H. US-GDR RELATIONS. THE FRG WELCOMES CORRECT US-GDR RELATIONS BECAUSE IT BELIEVES THAT SUCH RELATIONS HELP RESTRAIN GDR POLICY TOWARD BERLIN. HOWEVER, THE FRG FEARS THAT THE GDR MIGHT EXPLOIT US-GDR RELATIONS IN  
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ORDER TO SUPPORT ITS CLAIMS TO SEPARATE NATIONHOOD, AND

THAT IT MIGHT ATTEMPT TO PLAY THE WESTERN ALLIES OFF AGAINST THE FRG. THEREFORE, THE FRG HAS CONSISTENTLY REQUESTED CLOSE CONSULTATIONS ON THIS SUBJECT AND HAS EXPRESSED CONCERN WHENEVER IT FELT THAT A POTENTIAL FOR GDR EXPLOITATION OR ADVANTAGE EXISTED.

I. MIDDLE EAST. BONN IS A RELATIVE NEWCOMER TO THE INTRICACIES OF DEVELOPMENTS IN THE MIDDLE EAST. THE FRG BELIEVES THAT EAST-WEST CONFRONTATION SUPERIMPOSED ON THE MIDDLE EAST WILL ONLY MAKE THE SITUATION WORSE, BUT IT SEES A DEFINITE ROLE FOR EUROPE, AND PARTICULARLY FOR THE FRG, AS A CATALYST FOR SOLUTIONS. CHANCELLOR SCHMIDT IS PESSIMISTIC ABOUT THE PROSPECTS FOR THE SADAT INITIATIVE AND IS SKEPTICAL ABOUT ISRAELI POLICY, BUT THE FRG IS NOT LIKELY TO BE WILLING TO EXERT PRESSURE ON ISRAEL.

## II. FRG POLITICAL SITUATION

AFTER MORE THAN FOUR YEARS AS CHANCELLOR, HELMUT SCHMIDT STANDS OUT AMONG CONTEMPORARY EUROPEAN LEADERS AS A FORCEFUL MAN IN CONTROL OF THE SITUATION. AT THE SAME TIME, THERE ARE INTERNAL LIMITS ON HIS ABILITY TO GOVERN, AND GROWING STRAINS IN HIS COALITION.

THE SCHMIDT SPD/FDP COALITION GOVERNS BY A HAIR-BREADTH MAJORITY IN THE BUNDESTAG. THIS MAJORITY IS RENDERED EVEN THINNER BY LEFTIST DISSIDENTS WITHIN SCHMIDT'S OWN PARTY, AND BY TENSION AND UNCERTAINTY WITHIN THE FDP. THE FDP SUFFERED SERIOUS LOSSES IN TWO STATE (LAND) ELECTIONS JUNE 4 WHICH RESULTED IN ITS ELIMINATION FROM THE COALITIONS IN THOSE STATES. TWO  
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OTHER KEY STATE ELECTIONS OCCUR IN OCTOBER AND THE CENTRAL THREAD IN BOTH IS WHETHER THE FDP WILL OBTAIN ENOUGH VOTES TO CLEAR THE FIVE-PERCENT HURDLE NECESSARY FOR PARTICIPATING IN GOVERNMENT. THERE IS ALSO TENSION BETWEEN THE FDP AND THE SPD BASED ON DIFFERENCES ON ISSUES -- THE NEUTRON WEAPON IS A RECENT EXAMPLE -- AND ON WHETHER THE SOCIAL DEMOCRATS ARE UNITED ENOUGH TO KEEP THEIR HOUSE IN ORDER AND ENABLE SCHMIDT TO GOVERN. ALL IN ALL, THERE IS CONSIDERABLE SPECULATION IN THE FRG OVER WHETHER THE FDP WILL (A) SURVIVE AS A NATIONAL PARTY, AND (B) STAY WITH THE SOCIAL DEMOCRATS OR SWITCH OVER TO A COALITION WITH THE OPPOSITION BY THE 1980 NATIONAL ELECTIONS.

THE OPPOSITION UNION OF CHRISTIAN DEMOCRATS AND CHRISTIAN SOCIALISTS WON ALMOST 49 PERCENT OF THE VOTES

IN 1976 AND WANT TO WIN IN 1980. THERE ARE TWO STRATEGIES TO DO SO. ONE IS TO WOO GENSCHER AND THE FDP OVER TO THE OPPOSITION, DEPRIVING SCHMIDT OF THE PARLIAMENTARY MAJORITY NECESSARY TO STAY IN OFFICE. THIS IS THE STRATEGY ESPOUSED BY HELMUT KOHL. THE OTHER STRATEGY, CHAMPIONED BY THE CSU'S FRANZ JOSEF STRAUSS, IS TO RUN THE CSU AS A FOURTH PARTY IN NATIONAL ELECTIONS (IT IS PRESENTLY OPERATING ONLY IN BAVARIA).

THE STRAUSS THEORY IS THAT, BY HAVING THE OPPOSITION RUN AS TWO PARTIES, THE OPPOSITION WOULD GAIN AN

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ADDITIONAL TWO OR THREE VOTES, OR ENOUGH TO SECURE THE MAJORITY AND THE GOVERNMENT. THERE IS CONTINUING SQUABBLING WITHIN THE OPPOSITION AMONG PROPONENTS OF THESE TWO THEORIES, BUT THIS EVIDENT DISARRAY IS NOT A SOOTHING FACTOR FOR SCHMIDT AND HIS COALITION. INDEED, IN THE WAKE OF THE FDP'S ELECTORAL DISASTER JUNE 4, NEITHER COALITION PARTY IS TAKING THE KOHL OR THE STRAUSS STRATEGY LIGHTLY.

THERE ARE ALSO A HOST OF DOMESTIC ISSUES WHICH TROUBLE THE SCHMIDT GOVERNMENT. THESE INCLUDE UNEMPLOYMENT, PUBLIC SECTOR FINANCES AND PENSIONS, AND ECONOMIC GROWTH. THERE IS ALSO TERRORISM, AN ISSUE

ON WHICH SCHMIDT HIMSELF HAS A STRONG RECORD (MOGADISCIO) WHEREAS HIS PARTY HAS SHOWN ITSELF UNABLE TO UNITE BEHIND ANTI-TERRORIST LEGISLATION. THIS ISSUE IS A POTENTIAL WILD CARD, SINCE A NEW TERRORIST ACT COULD TILT THE UPCOMING LOCAL ELECTIONS TO THE COALITION'S DISADVANTAGE.

WHAT EMERGES FROM THIS BACKGROUND, HOWEVER, IS NOT A GOVERNMENT ON ITS LAST LEGS OR A WEAK CHANCELLOR.

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SCHMIDT IS AN ABLE POLITICIAN WHO UNDER SEVERE PRESSURE ADROITLY SHUFFLED A THIRD OF HIS CABINET IN EARLY 1978. SCHMIDT IS ALSO HIGHLY POPULAR PERSONALLY, AND HAS THE ABILITY TO PULL THE SPD UP IN ELECTIONS AND THUS MAKE HIS PARTY NEED HIM. OTHER THINGS BEING EQUAL, HE MAY WELL BE CHANCELLOR AGAIN AFTER THE 1980 BUNDESTAG ELECTIONS, NOT TO SPEAK OF RIDING OUT THE INTERIM. BUT IN THE FIFTH YEAR OF HIS CHANCELLORSHIP, THE FRAYING OF HIS COALITION IS MORE THAN MERELY AT THE EDGES.

WHAT THIS MEANS FOR THE US IS THAT THE FRG REMAINS A EUROPEAN COUNTRY SINGULARLY PREPARED TO COOPERATE WITH US IN GLOBAL POLICIES. AT THE SAME TIME, HOWEVER, THE SCHMIDT GOVERNMENT IS ONE THAT MUST EXPEND AN INCREASING PART OF ITS ENERGY ON INTERNAL PROBLEMS AND POLITICS, AND WILL THUS BE CAUTIOUS ON QUESTIONS THAT CAN BE CONTROVERSIAL DOMESTICALLY. IN SUM, WE CONTINUE TO HAVE A FIRM PARTNER IN THE FRG AND A STRONG LEADER IN SCHMIDT, BUT A GOVERNMENT WHICH MAY OFTEN BE UNWILLING OR UNABLE TO STEP OUT AHEAD ON DIFFICULT ISSUES.

### III. FRG ECONOMIC SITUATION

THERE ARE SOME INDICATIONS OF VIGOR IN THE SLUGGISH GERMAN ECONOMY. THE MODEST RECOVERY WHICH BEGAN IN LATE 1977, AND THEN FLATTENED OUT IN THE FIRST TWO MONTHS OF 1978, NOW LOOKS AS IF IT MAY CONTINUE INTO 1979. ALTHOUGH PRELIMINARY INFORMATION INDICATES THAT THE GERMAN ECONOMY EXPANDED AT A SEASONALLY ADJUSTED ANNUAL RATE OF ONLY ABOUT ONE PERCENT DURING THE FIRST QUARTER, ANY GROWTH AT ALL COMES AS A SURPRISE GIVEN THE SHARP DOWNTURN IN INDUSTRIAL PRODUCTION AND ORDERS FOR THE FIRST TWO MONTHS AND THE PESSIMISTIC

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EXPECTATIONS GENERATED BY STRIKES AND WORSENE LABOR/  
MANAGEMENT RELATIONS. MORE STABLE EXCHANGE RATE  
MARKETS, CONTINUING PRICE MODERATION, BETTER INDUSTRIAL  
PRODUCTION FIGURES FOR MARCH AND APRIL, AND THE  
CONCLUSION OF WAGE SETTLEMENTS WHICH DO NOT APPEAR TO  
PUT MUCH ADDITIONAL PRESSURE ON WAGE COSTS HAVE OF  
LATE LIFTED PUBLIC OPTIMISM. THE FISCAL INCENTIVES  
ADOPTED IN LATE 1977 WILL ALSO HELP TO SUSTAIN A HIGHER  
LEVEL OF DEMAND IN THE COMING MONTHS. GNP GROWTH FOR  
THE YEAR WILL PROBABLY FALL WITHIN THE 2.5-3.0 PERCENT  
RANGE AND THE UNEMPLOYMENT RATE SHOULD REMAIN AT  
ABOUT 4.5 PERCENT.

THE FRG CONTINUES TO RECORD LARGE TRADE AND  
CURRENT ACCOUNT SURPLUSES. THE SEASONALLY ADJUSTED  
FIRST QUARTER TRADE BALANCE AT DM 8 - 9 BILLION WAS  
APPROXIMATELY THE SAME AS IN THE FIRST QUARTER OF  
1977. THE CURRENT ACCOUNT BALANCE, HOWEVER, ROSE BY  
DM 0.9 BILLION FOR THE SAME PERIOD TO DM 2.9 BILLION.

IN THE ABSENCE OF NEW FISCAL PROGRAMS OR OF A  
BRISKER PACE IN EXPORT DEMAND, WE DO NOT SEE  
THE RATE OF GNP GROWTH AVERAGING MUCH ABOVE THREE  
PERCENT THROUGH 1979. THE ONE BOOMING SECTOR OF THE  
ECONOMY, THE CONSTRUCTION INDUSTRY, WILL PROBABLY FACE  
CAPACITY LIMITATIONS; OTHER SECTORS SEEM HEADED TOWARD  
ONLY MODERATE RATES OF EXPANSION. CURRENT FISCAL  
POLICIES WOULD GIVE NO BOOST TO THE ECONOMY IN 1979.

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FINANCE MINISTER MATTHOEFER HAS SUGGESTED THAT PUBLIC SECTOR OUTLAYS WILL EXPAND BY SLIGHTLY MORE THAN SIX PERCENT IN 1979, OR ABOUT THAT OF NOMINAL POTENTIAL GNP. VERY HIGH PERSONAL SAVINGS RATES WILL CONTINUE TO RESTRAIN CONSUMPTION. INFLATION SHOULD REMAIN AT A ROUGHLY THREE PERCENT YEARLY AVERAGE (DOWN TO 2.7 PERCENT IN MAY 1978).

DESPITE GERMAN SUGGESTION THAT THEY MAY BE PREPARED TO TAKE SOME SHORT-TERM STIMULATIVE MEASURES, THERE IS NOTHING IN THE PUBLIC RECORD TO CONFIRM THEM. ON THE CONTRARY, THE FRG HAS CONSTANTLY MAINTAINED THAT ITS GROWTH PROBLEMS ARE STRUCTURAL, AND NOT SUSCEPTIBLE TO SHORT TERM SOLUTIONS. SOME OF THIS IS NO DOUBT TACTICAL, BUT THE FRG'S REAL POSITION WILL PROBABLY NOT BE CLARIFIED UNTIL SHORTLY BEFORE OR EVEN AT THE SUMMIT.

#### IV. POLITICAL SITUATION IN BERLIN

BERLIN REMAINS OF PRIME IMPORTANCE TO EAST-WEST RELATIONS, A FACT REEMPHASIZED BY THE RECENT NATO  
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COMMUNIQUE WHICH "UNDERLINED THE ESSENTIAL CONNECTION BETWEEN THE SITUATION RELATING TO BERLIN AND DETENTE, SECURITY AND COOPERATION THROUGH EUROPE." THE SOVIET UNION SEEMS TO HAVE ACCEPTED THIS THESIS, AT LEAST TACITLY, AND TO HAVE BASED ITS ACTIONS IN RECENT YEARS ON THE REALIZATION THAT A CRISIS IN BERLIN WOULD HAVE FAR-REACHING, NEGATIVE EFFECTS.

EAST-WEST NEGOTIATIONS DURING THIS PERIOD HAVE HELPED STABILIZE THE BERLIN SITUATION AND ALLEVIATE SOME OF THE EARLIER CRISIS POINTS. THE 1971 QUADRIPARTITE AGREEMENT (QA) HAS LED TO AN IMPROVEMENT IN THE EASE OF TRAVEL BETWEEN THE WESTERN SECTORS AND THE FRG, AND OF VISITS TO BERLIN'S SOVIET SECTOR AND THE GDR. TENSIONS WITH THE SOVIET UNION OVER BERLIN, ALTHOUGH NEVER ENTIRELY ABSENT, ARE PROBABLY AT AS LOW A POINT AS THEY HAVE BEEN FOR SEVERAL YEARS. THE SOVIETS HAVE INDICATED SATISFACTION WITH THE QA, ALTHOUGH THEY GRUMBLE OVER ITS IMPLEMENTATION BY THE FRG.

THESE DIFFERENCES OVER IMPLEMENTATION REFLECT OUR BASIC DIFFERENCES OVER BERLIN, THE MOST BLATANT MANIFESTATION OF WHICH CONTINUES TO BE THE WALL. THE



WEST HOLDS THAT, DESPITE THE WALL, ALL OF BERLIN  
REMAINS UNDER THE OCCUPATION STATUS, AGREED UPON IN  
1944, AND THAT DEMILITARIZATION AND OTHER FOUR-POWER  
LEGISLATION IS STILL IN FORCE CITY-WIDE. THE SOVIETS  
MAINTAIN THAT ONLY THE THREE WESTERN SECTORS ARE STILL  
UNDER FOUR-POWER OCCUPATION AND THAT THE SOVIET SECTOR  
IS NOW PART OF THE GDR. (NEVERTHELESS, ON A DAILY  
BASIS, MEMBERS OF THE FORCES IN THE WESTERN SECTORS  
CONTINUE TO TRAVEL TO EAST BERLIN WITHOUT CONTROL BY  
THE GDR.)

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WE ALSO CONSIDER THAT THE QA PERMITS THE  
DEVELOPMENT OF TIES BETWEEN THE WESTERN SECTORS AND

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THE FRG, EXCEPT IN AREAS THAT ARE SPECIFICALLY  
PROHIBITED. IN ADDITION, THE WESTERN SECTORS ARE  
WITHIN THE AREA OF APPLICABILITY OF THE TREATIES AND  
ACTS OF THE EUROPEAN COMMUNITY. THE SOVIETS (AND GDR)  
ON THE OTHER HAND CLAIM THAT THE WESTERN SECTORS ARE A  
SORT OF "INDEPENDENT POLITICAL ENTITY" AND WOULD PREFER

THAT TIES WITH THE FRG AND INVOLVEMENT WITH THE EC BE LIMITED.

MAINTENANCE OF THE WESTERN POSITION IN BERLIN RESTS IN LARGE PART ON A CONTINUING DISPLAY OF OUR RESOLVE AND INTEREST. THE US BERLIN BRIGADE AND BRITISH AND FRENCH FORCES STATIONED IN THE WESTERN SECTORS, TOGETHER WITH THE SIZEABLE ALLIED CIVILIAN COMMUNITIES, MAKE UP A CONSIDERABLE AND HIGHLY VISIBLE PRESENCE. VISITS BY THE ALLIED LEADERS, MOST RECENTLY IN MAY BY THE QUEEN, REINFORCE THE MESSAGE THAT BERLIN IS IMPORTANT TO THE WEST.

WHILE THE US, UK AND FRANCE AS OCCUPATION AUTHORITIES CONTINUE TO POSSESS SUPREME AUTHORITY OVER

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THE WESTERN SECTORS IN BERLIN, THE WESTERN SECTORS ARE WELL-INTEGRATED GENERALLY INTO THE POLITICAL, ECONOMIC, CULTURAL AND LEGAL FRAMEWORK OF THE FEDERAL REPUBLIC. THE CITY GOVERNMENT IS RUN BY A COALITION OF SOCIAL DEMOCRATS AND FREE DEMOCRATS IN A COMBINATION SIMILAR TO THE COALITION IN POWER AT THE FRG FEDERAL LEVEL. TOP FRG OFFICIALS AND PARLIAMENTARIANS FREQUENTLY COME TO BERLIN FOR MEETINGS. BERLIN HAS NON-VOTING REPRESENTATION IN THE FRG LOWER HOUSE (BUNDESTAG) AND THE GOVERNING MAYOR IS AUTOMATICALLY A MEMBER OF THE FRG UPPER HOUSE (BUNDESRAT). THE FEDERAL REPUBLIC ALSO PROVIDES ABOUT FIFTY PERCENT OF BERLIN'S SUPPORT IN AN EFFORT TO ASSURE ITS VIABILITY. THE PSYCHOLOGICAL MOOD IN THE CITY HAS IMPROVED OVER THE PAST FIRST YEAR OF STOBBE'S TENURE AS GOVERNING MAYOR.

WHILE NOT RULED BY THE FRG, BERLIN FEELS THE IMPACT OF POLITICAL DEVELOPMENTS IN THE FEDERAL REPUBLIC. THIS IS ESPECIALLY SO IN PARTY POLITICS, AND WITH RESPECT TO ISSUES SUCH AS THE ADEQUACY OF MEASURES TO COMBAT TERRORISM. TWO DEVELOPMENTS ASSOCIATED WITH THE FRG OVER THE COURSE OF THE NEXT YEAR MAY CAUSE INCREASED DIFFERENCES WITH THE SOVIET UNION: THE ASSUMPTION BY THE GOVERNING MAYOR OF THE BUNDESRAT PRESIDENCY -- A ROTATING POSITION, AND THE SEATING OF BERLIN REPRESENTATIVES AS MEMBERS OF THE FRG DELEGATION IN THE FIRST DIRECTLY ELECTED EUROPEAN PARLIAMENTARY ASSEMBLY. WE REGARD BOTH AS NATURAL DEVELOPMENTS AND FULLY CONSISTENT WITH THE QA. TO THE SOVIETS, HOWEVER, THE FORMER ISSUE REPRESENTS A FURTHER DEMONSTRATION OF

UNDESIRABLE TIES BETWEEN THE WESTERN SECTORS AND THE  
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FRG, WHILE THE LATTER REPRESENTS AN EVEN MORE UNDESIR-  
ABLE INCLUSION OF BERLIN IN THE POLITICAL DEVELOPMENTS  
OF THE EC.

V. PUBLIC STATEMENTS

A. DRAFT ARRIVAL REMARKS -- COLOGNE-BONN AIRPORT,  
JULY 13, 1978

LADIES AND GENTLEMEN:

I AM DELIGHTED TO BE IN THE FEDERAL REPUBLIC ONCE  
AGAIN. THIS IS NOT MY FIRST VISIT HERE, BUT IT IS MY  
FIRST AS PRESIDENT, AND I LOOK FORWARD TO AN INTERESTING  
AND PRODUCTIVE FOUR DAYS IN THIS COUNTRY.

THE FIRST TWO DAYS, AS YOU KNOW, WILL BE A  
BILATERAL STATE VISIT, AND DURING THE FOLLOWING TWO I  
WILL TAKE PART IN AN ECONOMIC SUMMIT CONFERENCE. I  
REGARD BOTH AS BEING OF PROFOUND IMPORTANCE. THE  
STATE VISIT WILL SERVE TO CEMENT EVEN FURTHER THE BONDS  
BETWEEN OUR COUNTRIES, DEMONSTRATING ONCE AGAIN THE  
STRENGTH OF OUR PARTNERSHIP AND OUR DEDICATION TO COMMON  
PRINCIPLES. OUR TWO COUNTRIES ARE LINKED BY A REMARK-  
ABLE RANGE OF INTERESTS. THESE INCLUDE STRONG CULTURAL,  
FAMILY AND HISTORIC TIES, AND A COMMON PHILOSOPHIC  
OUTLOOK WHICH EMBRACES RESPECT FOR DEMOCRATIC GOVERNMENT  
AND THE WELL-BEING OF INDIVIDUALS IN A FREE AND  
RESPONSIBLE ECONOMIC SYSTEM. WE ALSO SHARE A STRONG AND  
VITAL PARTNERSHIP IN AN INTERDEPENDENT SECURITY  
RELATIONSHIP -- THE NORTH ATLANTIC ALLIANCE. WE ARE

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ALLIES AND WE ARE FRIENDS. WE KNOW WE CAN COUNT ON  
EACH OTHER, AND WE KNOW THE VALUE OF OUR FRIENDSHIP IN  
TODAY'S WORLD.

DURING THE NEXT FEW DAYS I WILL HAVE AN OPPORTUNITY  
TO VISIT BERLIN. I NEEDN'T TELL YOU HOW MUCH I LOOK  
FORWARD TO VISITING THAT COURAGEOUS CITY TO WHICH  
AMERICA REMAINS FIRMLY COMMITTED.

I ANTICIPATE MEANINGFUL MEETINGS WITH PRESIDENT  
SCHEEL, CHANCELLOR SCHMIDT AND OTHER MEMBERS OF THE  
FEDERAL GOVERNMENT, AS WELL AS WITH OTHER LEADERS  
TAKING PART IN THE ECONOMIC SUMMIT. I WILL, OF  
COURSE, TRY TO MEET AS MANY PEOPLE AS POSSIBLE FROM  
ALL WALKS OF LIFE IN THIS GREAT AND BEAUTIFUL COUNTRY.  
AGAIN, IT IS A PLEASURE TO BE HERE. THANK YOU.

B. DRAFT REMARKS AT BONN RATHAUS, JULY 14

MR. LORD MAYOR AND DISTINGUISHED CITIZENS OF BONN:

THANK YOU FOR YOUR KIND WORDS OF WELCOME.  
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THIS IS A SIGNIFICANT OCCASION FOR ME AND OTHER  
MEMBERS OF MY PARTY BECAUSE WE ARE GATHERED HERE FOR  
TWO PURPOSES.

FIRST, WE ARE HERE AS YOUR GUESTS. YOU HAVE MADE  
US FEEL AT HOME IN THIS BEAUTIFUL CITY WHERE THE OLD  
AND THE MODERN, THE PICTURESQUE AND THE COSMOPOLITAN,  
AND THE ARTISTIC AND THE POLITICAL BLEND SO NATURALLY.  
THANK YOU FOR YOUR SPLENDID HOSPITALITY.

SECONDLY, WE ARE GATHERED HERE BECAUSE OUR TWO  
COUNTRIES TODAY SHARE RESPONSIBILITIES IN THE WORLD  
WHICH ARE AS VAST AND COMPLICATED AS THEY ARE IMPORTANT.

THE FEDERAL REPUBLIC AND THE UNITED STATES ARE CLOSE PARTNERS IN COMMON ENTERPRISES OF GREAT BILATERAL IMPORTANCE. WE ALSO SHARE TIES OF A BROADER NATURE IN OUR EUROPEAN AND GLOBAL RESPONSIBILITIES. WE BOTH RECOGNIZE THAT OUR SECURITY IS LINKED, AND THAT AMERICA'S OWN DEFENSE BEGINS HERE WITH YOURS. WE BOTH SEE THE NEED FOR COOPERATION TOWARD THE ECONOMIC WELL-BEING AND POLITICAL STABILITY OF OTHER REGIONS OF THE WORLD.

WHAT TIES US PERHAPS MOST CLOSELY TOGETHER IS OUR SHARED SENSE OF VALUES. WE STAND FOR FREEDOM, FOR PROGRESS, AND FOR MAN'S ABILITY TO DEVELOP HIMSELF AND HIS LIFE IN A FULL AND CREATIVE MANNER, SECURE FROM FOREIGN OPPRESSION OR DOMESTIC INSTABILITY.

BONN HAS TAKEN ITS PLACE IN THE AMERICAN MIND AS THE CAPITAL OF AN ALLY WITH WHOM WE WORK TOGETHER IN ALMOST UNPRECEDENTED CLOSENESS AND HARMONY. WE ARE  
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GLAD OF THE CHANCE TO THANK YOU FOR WELCOMING US, AND DEEPLY AWARE OF THE SIGNIFICANCE OF MEETING HERE TOGETHER.

C. DRAFT TOAST AT PRESIDENT SCHEEL'S DINNER,  
JULY 14

PRESIDENT SCHEEL AND DISTINGUISHED FRIENDS:

IT GIVES ME GREAT PLEASURE TO BE WITH YOU THIS EVENING AT THE END OF MY FIRST DAY IN THE FEDERAL REPUBLIC OF GERMANY. IT HAS BEEN A FULL DAY, AND AN AUSPICIOUS START TO A VISIT I CONSIDER OF THE HIGHEST IMPORTANCE.

A MAJOR PURPOSE OF THIS TRIP IS THE OPPORTUNITY TO EXPRESS IN PERSON THE GREAT IMPORTANCE THAT THE AMERICAN PEOPLE AND I, PERSONALLY, ATTACH TO OUR RELATIONS WITH THE FEDERAL REPUBLIC OF GERMANY.

EVER SINCE I CAME INTO OFFICE IT HAS BEEN CLEAR TO ME THAT WE CAN NOT BUILD THE KIND OF WORLD THAT AMERICANS WANT WITHOUT THE PARTNERSHIP OF THE FEDERAL REPUBLIC OF GERMANY. WHEREVER WE LOOK, THE FEDERAL REPUBLIC IS AN ESSENTIAL PARTNER.

-- GERMANY PLAYS A KEY ROLE IN THE ECONOMIC

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
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O R 151926Z JUN 78  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC IMMEDIATE 9437  
INFO USMISSION USBERLIN

S E C R E T SECTION 07 OF 11 BONN 11065

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SYSTEM OF THE FREE WORLD.

-- GERMAN FORCES STAND IN THE CENTER OF THE WESTERN  
ALLIANCE FOR THE DEFENSE OF EUROPE AND THE  
ATLANTIC AREA.

-- THE GERMANS HAVE BUILT A STATE DEDICATED TO  
DEMOCRACY AND TO THE ACHIEVEMENT OF HUMAN RIGHTS.

ALL AMERICANS UNDERSTAND THE IMPORTANCE OF  
GERMANY TO US AND TO THE KIND OF WORLD THAT WE ARE  
TRYING TO BUILD. THEY APPRECIATE THE CONTRIBUTION THAT  
GERMANY IS MAKING TO THE FREEDOM, THE PROSPERITY, AND  
THE SECURITY OF THE WESTERN WORLD AS A WHOLE.

TOMORROW I WILL GO TO VISIT GERMAN AND AMERICAN  
FORCES SERVING TOGETHER. I WILL ALSO VISIT BERLIN.  
THOSE FORCES AND THE CITY OF BERLIN DEMONSTRATE HOW WE  
HAVE STOOD TOGETHER SIDE BY SIDE FOR A GENERATION,  
SUPPORTING EACH OTHER AND GAINING STRENGTH BY OUR  
COMMON EFFORT.

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THE AMERICAN PEOPLE AND THE GERMAN PEOPLE WANT THE SAME THINGS: THEY WANT PEACE, THEY WANT FREEDOM, THEY WANT PROSPERITY; THEY WANT A CHANCE TO LIVE THEIR LIVES AS THEY CHOOSE.

WE AMERICANS KNOW THAT NONE OF THIS WILL BE POSSIBLE FOR US WITHOUT THE FIRM FRIENDSHIP OF THE FEDERAL REPUBLIC. WE RECOGNIZE THAT EVERYTHING WE DO AFFECTS THE OTHER, AND THAT EVERYTHING WE DO DEPENDS ON THE OTHER.

I CAN ASSURE YOU, NOT ONLY FOR MYSELF BUT FOR ALL AMERICANS, THAT WE WILL WORK TO PRESERVE AND TO STRENGTHEN OUR FRIENDSHIP.

IN THAT SPIRIT, I WOULD LIKE TO PROPOSE A TOAST TO PRESIDENT SCHEEL, AND TO THE GERMAN-AMERICAN FRIENDSHIP THAT WE SO GREATLY VALUE.

D. DRAFT INFORMAL REMARKS TO US AND GERMAN TROOPS, JULY 15

(NOTE: FOLLOWING DRAWS ON US MILITARY CONTRIBUTIONS PERSONALLY APPROVED BY GENERAL HAIG WHICH WE HAVE SOUGHT TO REFLECT IN THIS TEXT. TEXT OF CINCEUR MESSAGE DTG 131705Z JUN 78 SENT TO DEPARTMENT IN BONN 10895.)

IT IS A SPECIAL PLEASURE FOR ME TO BE WITH YOU TODAY.

THE US UNIT HERE, BRIGADE 76, HAS A SPECIAL SECRET

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MEANING ON THIS OCCASION, FOR IT REPRESENTS MORE THAN 300,000 MEN AND WOMEN OF THE US ARMY, NAVY, AIR FORCE AND MARINE CORPS WHO ARE IN EUROPE NOW IN SUPPORT OF THE NATO ALLIANCE. THE FRG UNIT, PANZER BRIGADE 14, REPRESENTS THE FIGHTING FORCES OF THE FEDERAL REPUBLIC, OUR COMMON FRIEND AND ALLY. IN THIS SENSE, OUR MEETING TODAY SYMBOLIZES NATO'S OVER-ALL COOPERATION, AS WELL AS THE CLOSE WORK AND INTEROPERABILITY OF OUR ALLIED FORCES IN THE DEFENSE OF THE FREE WORLD.

IT IS IMPORTANT TO BEAR IN MIND WHY YOU ARE HERE. THIS IS BECAUSE HERE IN CENTRAL EUROPE YOU ARE AT THE FRONT LINE OF DEFENSE OF THE FREEDOM OF BOTH OUR COUNTRIES. FROM AMERICA'S VIEWPOINT, THERE IS NO DOUBT

THAT US FORCES ARE HERE FOR AMERICA'S AS WELL AS EUROPE'S DEFENSE. I, AS WELL AS SIX OTHER AMERICAN PRESIDENTS IN THE POST-WAR ERA HAVE NEVER QUESTIONED THAT AMERICAN DEFENSE AND SECURITY ARE FULLY ENTERTWINED WITH THOSE OF OUR EUROPEAN ALLIES.

YOU ARE ALSO HERE BECAUSE THE MILITARY THREAT FROM OUR POTENTIAL ADVERSARIES HAS BEEN GROWING. IT IS AMERICA'S COMMITMENT, AND THAT OF NATO, NOT TO LET THAT BUILD-UP GO UNCHALLENGED. AS FORCES YOU MUST BE READY TO MEET THAT THREAT IF NECESSARY. PEOPLE HERE, AT HOME, AND THROUGHOUT THE WORLD DEPEND ON YOU.

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
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O R 151926Z JUN 78  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC IMMEDIATE 9438  
INFO USMISSION USBERLIN

S E C R E T SECTION 08 OF 11 BONN 11065

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AMERICA APPRECIATES AND SUPPORTS YOUR CONTRIBUTIONS. THIS WE DO THROUGH NEW AND IMPROVED EQUIPMENT WE ARE INTRODUCING INTO EUROPE -- THE F-15 AND A-10 AIRCRAFT, THE COBRA-TOW ANTI-TANK MISSILES, FOR EXAMPLE. THIS WE DO AS WELL THROUGH OUR NEW FORCES IN EUROPE, AN EXCELLENT EXAMPLE OF WHICH IS BRIGADE 76, AND THROUGH IMPROVEMENTS IN OUR NATIONAL ABILITIES TO REINFORCE EUROPE IN TIME OF EMERGENCY.

TO MY AMERICAN FRIENDS HERE, I ALSO SAY THAT YOU DESERVE OUR STRONG SUPPORT IN IMPROVING YOUR LIVING CONDITIONS. THIS IS A KEY AREA IN WHICH MUCH REMAINS



TO BE DONE. IT WILL HAVE AMERICA'S FULL ATTENTION.

WE ARE ALSO AWARE THAT YOUR SERVICE INVOLVES A SACRIFICE. WHILE GERMANY IS A BEAUTIFUL AND DEEPLY HOSPITABLE LAND, YOUR SERVICE HERE IS AWAY FROM HOME. THIS CAN BE ESPECIALLY HARD ON JUNIOR MEMBERS OF THE FORCES, AND ON FAMILIES. WE KNOW THIS, AND WE APPRECIATE YOUR IMPORTANT CONTRIBUTION.

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TO ALL OF YOU, GERMANS AND AMERICANS, MAY I EXPRESS MY DEEP APPRECIATION FOR YOUR SUPPORT AS UNITS AND AS PEOPLE TO OUR COMMON COMMITMENT AS ALLIES. I SAY THIS IN MY NAME AS PRESIDENT, AS COMMANDER IN CHIEF OF US FORCES, AND ON BEHALF OF THE AMERICAN PEOPLE.

(ADDITIONAL THEMES AND POINTS ON BRIGADE 76  
REPEATED IN BONN 10895.)

E. DRAFT REMARKS AT FRANKFURT CITY HALL,  
JULY 15

MR. LORD MAYOR (AND OTHERS TO BE ADDRESSED), THANK  
YOU VERY MUCH FOR THE WARM WORDS OF WELCOME:

THE CHANCELLOR AND I COME HERE FROM A VISIT WE HAVE JUST MADE TO GERMAN AND AMERICAN FORCES WHO ARE WORKING TOGETHER TO ENSURE THAT THE LIBERTY, WHICH WE AND OUR OTHER ALLIES CHERISH, WILL BE PROTECTED AGAINST ANY THREAT FROM THE OUTSIDE SO THAT OUR CITIZENS CAN LIVE AND PROSPER IN FREEDOM AND IN PEACE. WE HAVE SEEN AN IMPRESSIVE DEMONSTRATION THAT THIS JOB IS IN GOOD HANDS.

HERE NOW IN THE HISTORIC CENTER OF THIS GREAT GERMAN CITY WE ARE REMINDED OF THE LONG AND DIFFICULT STRUGGLE BY WHICH, THROUGH THE CENTURIES, THE PEOPLE OF THE WORLD HAVE SEARCHED FOR WAYS TO IMPROVE THE HUMAN CONDITION. ST. PAUL'S CHURCH, WHERE THE FIRST SERIOUS EFFORT WAS MADE 130 YEARS AGO TO DEVISE A CONSTITUTIONAL SYSTEM FOR A UNITED GERMANY, IS A SYMBOL OF THE LONG HUMAN STRUGGLE TO ADVANCE THE CAUSE OF LIBERTY.

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STANDING IN THE SHADOW OF THIS HISTORIC LANDMARK  
AND THIS HISTORIC CITY HALL, IT IS A MOVING EXPERIENCE  
FOR AN AMERICAN TO REFLECT UPON THE ENDURING TIES WHICH  
FOR ALMOST THREE CENTURIES HAVE BOUND TOGETHER THE  
PEOPLE OF FRANKFURT WITH THE HISTORY OF THE UNITED  
STATES. EVEN BEFORE WE WERE ONE NATION, IN 1683 YOUR  
OWN FRANZ PASTORIUS FOUNDED THE FIRST GERMAN SETTLEMENT  
IN AMERICA, GERMANTOWN, JUST NORTH OF PHILADELPHIA.  
SINCE THAT TIME, MANY OF YOUR NATIVE SONS HAVE PLAYED  
LEADING ROLES IN WEAVING THE PHYSICAL AND CULTURAL  
FABRIC OF OUR NATION. IN THE WAKE OF THE EVENTS OF 1848  
AND 1849 IN THIS CITY, A NEW WAVE OF GERMAN IMMIGRANTS  
REACHED THE AMERICAN SHORES AND THERE CONTRIBUTED  
IMMEASURABLY TO THE DEVELOPMENT AND THE GROWTH OF THE  
UNITED STATES. IT IS A MARK OF THESE TIES THAT THERE  
ARE TODAY SOME 21 CITIES OR TOWNS IN THE UNITED STATES  
NAMED FRANKFURT OR FRANKFORT, INCLUDING, INCIDENTALLY,  
THE CAPITAL OF THE STATE OF KENTUCKY. IN THE LAST 33  
YEARS, THESE TIES HAVE GROWN AT A MORE RAPID RATE THAN  
EVER BEFORE. THIS IS NOT ONLY BECAUSE FRANKFURT HAS  
THE LARGEST AMERICAN POPULATION OF ANY CITY IN THE  
FEDERAL REPUBLIC, BUT ALSO BECAUSE IT IS A CENTER OF  
TRADE, COMMERCE, FINANCE AND COMMUNICATIONS.

VERY MUCH ALIVE IN THE MEMORIES OF MANY OF US HERE

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
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O R 151926Z JUN 78  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC IMMEDIATE 9439  
INFO USMISSION USBERLIN

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TODAY ARE TWO PARTICULAR EVENTS WHICH OCCURRED THIRTY YEARS AGO: THE CURRENCY REFORM, AND THE CONSEQUENT SPECTACULAR RECOVERY OF THE GERMAN ECONOMY; AND THE BERLIN AIRLIFT, ANCHORED IN FRANKFURT, WHICH FOCUSED WORLD ATTENTION ON THE BELEAGUED PEOPLE OF BERLIN. WHEN I DEPART FROM FRANKFURT SHORTLY FOR BERLIN, WE WILL RETRACE THE PATH TAKEN BY THOSE COURAGEOUS FLYERS.

THANK YOU AGAIN MINISTER-PRESIDENT BOERNER AND LORD MAYOR WALLMANN FOR YOUR HOSPITALITY IN THE STATE OF HESSE AND THE CITY OF FRANKFURT. I WISH IT WERE POSSIBLE TO REMAIN LONGER. UNFORTUNATELY, IT IS NOT, BUT IT HAS BEEN AN HONOR TO JOIN THE COMPANY OF DISTINGUISHED EARLIER AMERICAN VISITORS TO THIS CITY SUCH AS THOMAS JEFFERSON, BENJAMIN FRANKLIN AND JOHN F. KENNEDY. THANK YOU.

F. DRAFT REMARKS AT SIGNING OF GOLDEN BOOK IN BERLIN.

(USMISSION BERLIN SUBMITTING DIRECTLY TO THE DEPARTMENT.)  
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G. DRAFT REMARKS AT THE KONGRESSHALLE IN BERLIN.

(USMISSION BERLIN SUBMITTING DIRECTLY TO THE DEPARTMENT.)

H. DRAFT INFORMAL DEPARTURE STATEMENT, JULY 17.

THIS HAS BEEN AN IMPORTANT AND REMARKABLY PRODUCTIVE JOURNEY.

THE FIRST TWO DAYS WERE DEVOTED TO A BILATERAL STATE VISIT TO THE FEDERAL REPUBLIC, AND TO BERLIN. THIS VISIT PROVED TO ME ONCE AGAIN HOW VITAL OUR PARTNERSHIP WITH THE FEDERAL REPUBLIC IS, AND HOW CLOSE OUR OBJECTIVES ARE IN EUROPEAN AND IN GLOBAL MATTERS. IT WAS ALSO A CHANCE TO SEE OUR OWN FORCES IN GERMANY AND AGAIN TO EXPERIENCE THE IMPORTANCE OF THE DEFENSE COMMITMENT WE SHARE WITH OUR EUROPEAN ALLIES, AND PARTICULARLY WITH OUR GERMAN FRIENDS. MRS. CARTER AND I ARE GRATEFUL FOR THE SPLENDID HOSPITALITY OFFERED BY OUR GERMAN HOSTS.

OUR VISIT TO BERLIN BROUGHT US IN CONTACT ONCE AGAIN WITH THE LEADERS AND PEOPLE OF THAT VIBRANT AND

COURAGEOUS CITY. AMERICA'S COMMITMENT TO  
BERLIN REMAINS UNDIMINISHED; SO DOES THE DEDICATION OF  
THE BERLINERS.

THE LAST TWO DAYS WERE DEVOTED TO DISCUSSIONS AMONG  
LEADERS OF THE INDUSTRIALIZED NATIONS. THIS WAS AN  
OCCASION TO REVIEW THE CHALLENGES THAT FACE ALL OF US,  
AND TO MOVE OUR THINKING CLOSER ON QUESTIONS THAT  
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AFFECT OUR WELL-BEING TODAY AND OUR CONTINUING  
PROSPERITY IN THE FUTURE. IT WAS AN IMPORTANT MEETING  
WHICH EQUIPS ALL OF US BETTER TO WORK TOGETHER TO MEET  
OUR COMMON GOALS, AND I JOIN THE OTHER PARTICIPANTS IN  
THANKING OUR HOSTS IN BONN FOR THEIR GENEROUS  
HOSPITALITY AND FOR THEIR WISE CONTRIBUTIONS DURING  
THIS MEETING.

VI. CITY NOTES ON BONN AND FRANKFURT

A. BONN

A CITY WITH A HISTORY DATING BACK TO ROMAN TIMES,  
BONN WAS BEST KNOWN BEFORE IT BECAME THE FRG CAPITAL  
AS THE BIRTHPLACE OF BEETHOVEN WHO WAS BORN IN 1770  
AND LEFT THE CITY FOR VIENNA AT THE AGE OF 21.

BEFORE WORLD WAR I BONN WAS VIEWED AS A QUIET  
CITY WITH A NUMBER OF RICH AND RETIRED RESIDENTS. THE  
CITY SUFFERED SEVERE DESTRUCTION IN WORLD WAR II, WITH  
OVER 30 PERCENT OF THE TOTAL CITY DESTROYED, INCLUDING  
90 PERCENT OF THE OLD CITY CENTER. THE COMBINATION  
OF SKILLFUL RESTORATION AND MODERN CONSTRUCTION IS  
CHARACTERISTIC OF MANY MODERN GERMAN CITIES THAT  
UNDERWENT A SIMILAR FATE.

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W

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O R 151926Z JUN 78

FM AMEMBASSY BONN

TO SECSTATE WASHDC IMMEDIATE 9440

INFO USMISSION USBERLIN

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STADIS////////////////////////////////

EXDIS

IN 1949, UNDER KONRAD ADENAUER, THE CAPITAL OF THE ALREADY DIVIDED GERMANY WAS MOVED "PROVISIONALLY" TO BONN. THE PROVISIONAL ORIGINS OF THE CAPITAL EXPLAIN THE TEMPORARY APPEARANCE OF SOME OF THE MAJOR OFFICIAL BUILDINGS, THE BEST EXAMPLE OF WHICH IS PROBABLY THE CROWDED AND MODEST BUNDESTAG PLENARY HALL, INITIALLY BUILT AS A SCHOOL FACILITY. THIS FACILITY STANDS IN SHARP CONTRAST TO THE ADJACENT OFFICE BUILDING FOR PARLIAMENTARY DEPUTIES, A MODERN STRUCTURE AND THE HIGHEST BUILDING IN BONN WITH 28 STORIES.

MORE THAN HALF OF THE CITY'S POPULATION, NOW ESTIMATED AT ABOUT 300,000 HAS COME TO BONN IN CONJUNCTION WITH ITS ESTABLISHMENT AS THE FEDERAL SEAT OF GOVERNMENT. NEIGHBORING CITIES AND SUBURBS HAVE BEEN INCORPORATED INTO ONE LARGE CITY (1969). THE MAJOR INDUSTRY IS THE FEDERAL GOVERNMENT, WITH THE SECOND LARGEST EMPLOYER THE MUNICIPAL GOVERNMENT.

BONN LIES AT THE SOUTHERN MOST TIP OF THE COLOGNE VALLEY, AT THE NORTH EDGE OF THE SCENIC RHEIN MOUNTAIN  
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LANDSCAPE. THE AREA NORTH, LEADING TO THE SEA, IS FLAT, AND THE SEVEN MOUNTAINS IN THE BONN REGION (THE "SIEBENGEBIRGE") ARE THE FIRST HILLS THAT MANY VISITORS FROM NORTHERN AREAS ENCOUNTER WHILE TRAVELLING AROUND GERMANY. BONN IS ALSO THE NORTHERNMOST WINE GROWING AREA OF THE PRODUCTIVE RHEIN VALLEY. ACROSS THE RIVER FROM BONN, LOOKING OVER THE PICTURESQUE TRAFFIC OF BARGES AND TOUR BOATS, ONE CAN SEE THE SIEBENGEBIRGE AND THE IMPRESSIVE STRUCTURE OF THE DRACHENFELS (DRAGON'S CLIFF) -- THE RUINS OF AN ANCIENT MOUNTAINTOP FORTRESS -- AND THE LUXURIOUS HOTEL PETERSBURG, OCCASIONALLY A GUEST HOUSE FOR DISTINGUISHED FOREIGN

VISITORS.

POLITICALLY, BONN IS RUN BY THE CHRISTIAN  
DEMOCRATIC UNION (CDU), THE MAJOR NATIONAL OPPOSITION  
PARTY. HANS DANIELS, 44, IS THE LORD MAYOR, AND IS  
A CATHOLIC, LIKE MOST OF THE LOCAL POPULATION.

B. FRANKFURT

ALTHOUGH FRANKFURT WAS THE SITE OF A ROMAN  
SETTLEMENT, THE CITY DATES FROM THE EIGHTH CENTURY WHEN  
CHARLEMAGNE ESTABLISHED IT AS A FORD WHERE THE FRANKISH  
TRIBE CROSSED THE MAIN RIVER. FRANKFURT'S IMPORTANCE  
IN GERMAN HISTORY BEGAN WITH ITS ROLE AS THE  
CORONATION CITY OF THE GERMAN EMPERORS FROM THE NINTH  
CENTURY UNTIL 1792. LOCATION IN THE CENTER OF EUROPE  
GAVE THE CITY A HEAD START IN COMMERCE, AND IT WAS  
ALREADY A MAJOR TRADING CENTER IN THE MIDDLE AGES. IT  
HAS BEEN AN INTERNATIONAL BANKING CENTER SINCE THE 16TH  
CENTURY AND IS THE ORIGINAL HOME OF THE ROTHSCHILD  
BANKING EMPIRE. DURING THE REFORMATION, LUTHERAN  
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FRANKFURT WAS A HAVEN FOR PROTESTANT REFUGEES FROM

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
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O R 151926Z JUN 78  
FM AMEMBASSY BONN  
TO SECSTATE WASHDC IMMEDIATE 9441  
INFO USMISSION USBERLIN

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ENGLAND, FRANCE, AND THE NETHERLANDS WHO ENRICHED THE CITY'S COMMERCIAL AND ARTISTIC LIFE. UNTIL THE MID-1930'S, IT ALSO HAD ONE OF EUROPE'S MOST PROSPEROUS AND CULTURED JEWISH COMMUNITIES. THE FIRST GERMAN NATIONAL ASSEMBLY MET IN FRANKFURT'S PAULSKIRCHE IN 1848, PROMPTING THE OBSERVATION THAT FRANKFURT IS THE "CRADLE OF GERMAN DEMOCRACY." FRANKFURT BANKERS LENT \$600 MILLION TO THE NORTH DURING THE AMERICAN CIVIL WAR, AND WERE THANKED IN PERSON BY MRS. LINCOLN AFTER THE WAR. FRANKFURT BECAME A FREE CITY IN 1372, BUT OPPOSED PRUSSIA DURING THE AUSTRO-PRUSSIAN WAR AND WAS ANNEXED IN 1866.

THE CITY WAS SEVERELY DAMAGED DURING THE SECOND WORLD WAR, BUT MADE A RAPID RECOVERY FUELLED BY MARSHALL PLAN AID. TODAY IT IS THE FEDERAL REPUBLIC'S COMMERCIAL AND BANKING CENTER AND A MAJOR TRANSPORTATION HUB SINCE THE AIRPORT IS THE BUSIEST ON THE CONTINENT OF EUROPE. MANY FIRMS HAVE THEIR BUSINESS OFFICES IN FRANKFURT AND THEIR PRODUCTION FACILITIES ELSEWHERE. A DIVERSIFIED COMMERCIAL BASE TENDS TO INSULATE THE CITY FROM GERMAN ECONOMIC FLUCTUATIONS AND PRODUCES A  
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STANDARD OF LIVING SOMEWHAT ABOVE THE NATIONAL AVERAGE. HOWEVER, FRANKFURT HAS A CULTURAL AND INTELLECTUAL HERITAGE SINCE THE POET GOETHE WAS BORN HERE AND WEALTHY MERCHANTS HAVE SERVED AS GENEROUS PATRONS OF GERMAN ARTISTS THROUGH THE CENTURIES.

## VII. BIOGRAPHIC SKETCHES

WE SUGGEST BIOS ON THE FOLLOWING ADDITIONAL PERSONS:

DR. HANS DANIELS, LORD MAYOR OF BONN  
HERBERT WEHNER, SPD BUNDESTAG LEADER  
WOLFGANG MISCHNICK, FDP BUNDESTAG LEADER  
HANS-JUERGEN WISCHNEWSKI, STATE MINISTER IN THE  
CHANCELLERY  
GENERAL HARALD WUST, INSPECTOR-GENERAL OF THE  
BUNDESWEHR  
LIEUTENANT GENERAL GERHARD LIMBERG, INSPECTOR  
OF THE LUFTWAFFE  
LIEUTENANT GENERAL HORST HILDEBRANDT, INSPECTOR-  
GENERAL, FRG ARMY  
HOLGER BOERNER, MINISTER-PRESIDENT OF HESSE

HANS WAGNER, PRESIDENT OF HESSIAN LANDTAG

(NOTE: MRS. STOESSEL BIO SENT SEPTTEL.)

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## Message Attributes

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**Current Classification:** UNCLASSIFIED  
**Concepts:** BRIEFING MATERIALS, CHIEF OF STATE VISITS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 15 jun 1978  
**Decaption Date:** 20 Mar 2014  
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**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
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**Disposition Reason:**  
**Disposition Remarks:**  
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**Reference:** 78 STATE 147755  
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**Review Content Flags:**  
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**SAS ID:** 2344052  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PRESIDENTIAL VISIT: EMBASSY AND MISSION CONTRIBUTIONS TO BACKGROUND PAPERS  
**TAGS:** OVIP, PEPR, GE, WB, (CARTER, JIMMY)  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odhc://SAS/SAS.dbo.SAS\_Docs/dfa36088-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014